



JES's college of Pharmacy, Nandurbar

Promotion

Asst Prof : Manisha K.Gavit
(Department Pharmaceutical Chemistry)

Definition

- **World Health Organization (WHO) defines** promotion as "all informational and persuasive activities by manufacturers and distributors, the effect of which is to induce prescription, supply, purchase and/or use of medicinal drugs".
- Similarly, **International Federation of Pharmaceutical Manufacturers Association (IFPMA) defines** promotion as "any activity undertaken, organized or sponsored by a member company (pharmaceutical company member of IFPMA) which is directed at healthcare professionals to promote the prescription, recommendation, supply, administration or consumption of its pharmaceutical product(s) through **all media, including the internet**".

Methods

- Different promotional techniques are used to talk with the target market and these techniques form the promotional mix. Based on the ways of talk, the promotional techniques can be categorized as follows in Table

Table 3.1: Various Promotional Techniques

Promotional Technique	Remarks
Direct (personal) communication	<ul style="list-style-type: none">• Offers direct relationship with each client. e.g. personal sales and direct marketing.
Indirect (non-personal) communication	<ul style="list-style-type: none">• Depends on mass communication.• Same message is used for prospective customers. e.g. advertising, public relations and sales promotion.

The major promotional techniques include:

(i) Advertising: It is one of the ways to promote the products, services and image of a firm for approaching wider consumers using mass media. On grounds of financing,

there are two categories:

(a) Free advertising: It carries information as **news or reports** about a company without having any sponsorship using mass media

e.g. press conferences and press releases.

(a) Paid/Sponsored advertising: It is sponsored by the company to promote its goods and services with the help of funded promotion and non-personal mass media communication to target scattered market territorially. It also discloses the name of sponsor in the message.

(ii) Public relations: These offer a calculated and strategic move of a company to connect with variety of people of interest to company's activities

i.e. customers, investors and employees.

iii) Sales promotion: Various ways are used to draw attention of the customer for an instant reaction regarding the buying of a goods or service.

The main sale promotion techniques may be included in different ways:

- (a) An immediate advantage** i.e. a price concession, more quantity at the same price, a free service, and a contest.
- (b) Period limited offering (exceptional):** It is intended for limited period of time.
- (c) Call for immediate action:** The offer is limited and it is highlighted.
- (d) Cause regrets:** When the product is not purchased. Other methods include group sales, gifts, loyalty gifts, samples, games, contests, and raffles.



iv) Point-of-sale promotions: It uses product display techniques with the help of audio-video features to attract visitors at the sale point.

Different materials as a means to convey messages to customers are used such as, Light boxes, Banners, Posters, Product display shelves, Specific lighting, Point-of-sale atmosphere, Audio-video messages, and Promotional gift items having company identity, etc



- v) **Direct marketing:** This is one of the remote communication systems, in which each customer is contacted (personally) with the help of catalogs (post or email) and individual letters.



vi) Personal sales: It includes the direct communication between a seller and a consumer, generally at his home or public places.



vii) Promotional gifts: These are small items with the company identity or its service or product name, presented to the customer so as to make a memory for further use or publicity. For example: pens, lighters, ash trays and agendas.



viii) Internet marketing : It involves use of websites that build the virtual company image in terms of representation of products and services including press releases. Commonly, internet advertising means include banners, pop-ups, newsletters and web link of the company.



Determinants Of Promotional Mix

- Promotion is the key player of marketing mix that includes 4Ps i.e. Product, Price, Promotion and Place.
- It makes a link between the sellers and buyers so as to influence or attract a potential buyer.
- The term '**promotional mix**' indicates a means to do a business by delivering information of products or services in terms of their benefits to the users.

Factors affecting Promotional Mix:

- **Promotional Mix:** It is the blend of numerous promotional activities i.e. advertising, personal selling, sales promotion, public relations and direct marketing which are used to build, maintain and upturn the demand for a product or a service.

There are various factors that determine the promotional mix as shown below in



- ✓ **Nature of Product:** Various promotional tools are used according to requirement (type) of the product. **For example**, pre-sale and after-sale services are needed to sell the industrial products **i.e. machines, equipment, or any working device.**
- ✓ **Nature of Market:** The strength and place of consumers significantly determine the promotion mix. **For example**, small group of potential customers at specified locality should be targeted by personal selling in an effective manner. Likewise, the customer type is also important in making decisions. Customers living in urban areas demand different promotion mix as compared to customers of rural regions because of differences in their level of education and standard of living.
- ✓ **Stage of Product's Life:** During life cycle of the product, the promotion mix keeps changing. In initial stage, promotion of primary demand is required based on quality and uses of the products while at maturity stage the advertising and personal selling are focused to fulfill the demand of the customers.

- ✓ **Availability of Funds:** The marketing budget is the constraint for promotion mix. If there are sufficient funds for the promotion, then number of promotional means can be utilized. But in shortage of the funds the promotion mix should be used intelligently.
- ✓ **Nature of Technique:** Each component of the promotion considerably imparts its effect. **For example**, sound effect in addition to colors can attract large number of customers as these effects develop the long-lived memory of the product or service in the minds of the customers.
- ✓ **Promotional Strategy:** The promotion mix chiefly relies on the promotional strategy of the company. **These can be of two types** i.e. **Push Strategy** (convincing the potential buyers by direct contact) and **Pull Strategy** (attracting the buyers by branding).

- ✓ **Readiness of Buyer:** Depending upon the buyer's readiness, different means of promotion are needed. **For example**, a mix of advertising and personal selling is suitable at the comprehension stage while personal selling can be more useful at the conviction stage.

Thus, the advertising and publicity plays a key role at initial stage of buying decision process whereas the sales promotion and personal selling can be effective at the late phases.

Promotional Budget

- A promotional budget is a blueprint to make use of required money for targeting the right market.
- Various tactics are combined to bring most suitable budget. Moreover, it is needed to decide appropriate use of media and associated expenses for the desired promotional events.
- To prepare the promotional budget, critical analysis has to be carried out as discussed below.

Past Sales Analysis:

- It helps to create budget. For instance, analysis of the total sales of the last year can decide the need of inputs (expenses) to promote the sales in the coming year and an outlook of prospects.

Projected Sales Analysis:

- Sales data of less than year can be beneficial to predict sales for the next year. As per expected sales, take a percentage of that expected sales output to spend on promotion. Public companies review the sales and it can also be used to make decision over the amount. It is advised by the experts to make an investment of at least 10% of the projected sales on promotion.

Competitive Parity Analysis:

- The competitive-parity analysis gives an idea to improve branding and trust in customers and prospective market. It is based on comparable budget setting to the competitors of the market. As the competitors do never disclose their budget allocation it should be estimated by their expenses on advertisements and other public expenditures.

Goal-dependent Analysis:

- The goal-dependent promotions can bring a logical and well-researched outcome for attaining targeted sale. It is required to investigate objectives of set market plan. Accordingly, start working on demanded activities to achieve those objectives. The types of activities rely on desirability of the target market. Contact the customers or survey possible consumers to identify the means through which they know about similar products or services. Thereafter, calculate the costs of those activities to finalize the budget.

An Overview Of Personal Selling

In an interactive manner, a sales person connects with potential buyers of a product for improving the sale. The personal selling aims to make a friendly link with the buyer.

Personal Selling and the Sales Force:

- Since ancient times direct marketing is being done using the sales call for a defined area or a group of people.
- To identify potential buyers and make the business, company has to work on a professional sales force or representatives for personal selling.

Types of Sales Representatives:

- The sales representatives may be at different positions based on their specified tasks for selling:
- ✓ **Deliverer/delivery boy:** A person who does delivery of a product to the consumer.
- ✓ **Order taker:** A person sits or stands behind the counter as an inside order taker or he may be appointed for calling on store managers as an outside order taker.
- ✓ **Missionary:** A person who doesn't take an order but he tries to attract the actual or potential user as a medical "detailer".

- ✓ **Technician:** A person who is having good technical knowledge and works as a troubleshooter to the clients.
- ✓ **Demand creator:** A person who is appointed to create demand for selling products and/or services.
- ✓ **Solution vendor:** A salesman with expertise of resolving issues (non-technical) of products and services.

Six Major Steps in effective Selling

- 1. Researching and stipulating:** Companies create traits and specify them by mail or phone to examine their weightage in terms of interest and financial assets. The purpose of this step is to allow sales people to use their expensive time doing what they do best for selling.
- 2. Pre-approach:** It is needed to identify the future needs, the manner of buying process, stakeholders, and nature of buyers and buying styles. The representative companies (Reps) also sets call objectives to qualify the prospect, gather information, or make an immediate sale; decides on the best contact approach-a personal visit, phone call, e-mail, or letter; plans the timing of the approach; and sets overall sales strategy for the account.
- 3. Presentation and demonstration:** The sales person tells the product "story" to the buyer, using features, advantages, benefits, and value approach. Reps should be engaging and avoid spending too much time on features and not enough on benefits and value.

- 4. Overcoming objections:** Sales people must handle objections raised by buyers by maintaining a positive approach, asking buyers to clarify the objections, asking questions in such a way that buyers answer their own objections, denying the validity of the objection, or turning it into a reason for buying.
- 5. Closing:** Customers are asked to make their choices while finalizing the order, such as color or size, or indicate what the buyer will lose by not ordering now. The representative might offer specific inducements to close, such as an additional service.
- 6. Follow-up and maintenance:** To maintain trust and satisfaction in product and services, the representative needs to take follow up about delivery and feedback from the customer. Moreover, a follow up schedule is ensured to keep details of all necessary information and investigate any issues, confirm the likeliness of the buyer. and reduce any cognitive dissonance. Each account needs maintenance and growth plan as well.

Advertising

- Advertising is a strong means to convey message which is highly visible for effective marketing that increases selling of the products and services. It is believed that advertising reveals the demands of the times.
- It may or may not be entertained by the consumer(s) but advertising keeps going. Advertisements are seen in **newspapers, magazines, on television and internet and are heard on radio.**
- The consumer comes across a variety of advertisement daily. It is not possible to remain completely neutral and unnoticed of modern ways of advertising.
- The advertising process intends to deliver information to consumer with different opinions **while seeing, reading, or listening and appreciating or criticizing the products or services.**

- There are many ways to detail advertising based on the way it catches the sight of consumer such as **great, dynamic, captivating, surprising, irritating, boring, and offensive, etc.** Advertising indicates current trends and advancement of civilization.
- It is part of our social, cultural and business environment. It is closely monitored in business.
- In current scenario, advertisers are carefully scrutinized by the **target audience and the society.**
- Advertising in the last couple of decades has made much progress in terms of technical excellence, copy and graphics. However, progress in the area of relating to the customers is slow.
- There is a definite trend, **both in audio-visual and print ads,** to use appeals that are compatible with Indian Culture

The key points involved in advertising are:

- ✓ It intends to reach a large number of consumers.
- ✓ It is one of the ways to commercialize the business with a long-term profits.
- ✓ It eases bulk communication of information to target consumers.
- ✓ It is paid means to deliver message in a non-personal manner.
- ✓ Advertising can be economical, for it reaches large groups of people.
- ✓ cost per message low.
- ✓ It expedites the communication allowing an advertiser to connect with millions of buyers in a short span of time.
- ✓ advertisement for the sake of its publicity.

ATL
(Above the line)



Radio
Newspaper
TV
Outdoor Advertising



TTL
(Through the line)



Social Media
Events



BTL
(Below the line)



Banners
Email Marketing
Telemarketing



Clients

Advertising may be carried out in different forms to deliver message in:

- ✓ Newspapers and booklets.
- ✓ Multimedia gadgets and broadcasts through radio and TV sets. Various types of circulars which may be a part of mail or email, or by inserts in
- ✓ primary packaging.
- ✓ Leaflets in notebooks in front or back cover.
- ✓ Window or counter display.
- ✓ Animated pictures.
- ✓ Unique signs, designs, color, shape or pattern of the advertiser.
- ✓ Label stags and other means used in sponsoring an event or a program.

• Types of **direct mail**



Direct Mail

- In direct mail, publicity message in various forms is sent to a specified person of a company. In last couple of years, the direct mail campaigns have been increased largely.
- Expenditure on direct mail is now in billions a year amounting to a major part of expense of advertisement. Companies pay a lot of money to maintain databases having details of potential customers.
- Direct mail enhances the effective use of resources to improve publicity through a named person who is the key part of a target population.
- Personalized advertising improves business relationship with opportunistic increase in sales.
- E-mail provides direct information to the customers and it is found to be quite productive means of selling products or offering services.

Journals



- A **journal has a number of related meanings like a compiled data of events or business, a newspaper**, which may be daily or weekly or academic publications in various issues of journals that belong to science or non-science streams or the observed transactions of a firm.
- In short, a journal may be a scholarly publication or a non-scholarly magazine for dissemination of intended information.
- Journals can be a means to promotion of a **researched product or approved product** using journal flyers and advertisements on journals' homepage.
- Pharmaceutical journals are increasing day by day as research is being carried out to bring safe and effective product and service to satisfy patient needs.
- In India, University Grant Commission (UGC) approves a list of journals in various streams and this list is revised as and when needed.

Sampling

- Samples are "potential sales stock" of the company. They must be used with care and definitive objectives. Samples have a major influence on physicians' prescribing habits.
- Providing free samples is a technique used to introduce new products to the market place. Samples give the consumer a chance to see how well they like a product or try something they otherwise would not normally buy.
- Sampling can be utilized in marketing campaign including newspapers or multimedia advertising. Samples appear to influence prescribing, but more research is needed on this issue.
- Studies which look at the impact of promotion on overall sales usually show increased sales after promotional activities. Pharmaceutical funding



- For doctors, such as research funding, increases request for medicines made by these companies to be added to hospital formularies.
- Drug company sponsorship influences the choice of topics for continuing medical education and the choice of research topics and the outcome of research.
- It leads to secrecy, delay in publication for commercial reasons, and conflict of interest problems for contributors to guidelines.
- Researchers often do not disclose funding from drug companies. There can be different ways to promote pharmaceutical products such as freebies and physician sample.
- Customers feel happy if they are given free drug samples from doctors or physician.
- Such samples become a valuable promotional input to improve direct marketing targeting the patients at no cost.

Retailing

- Retailing own brands/generic brands can bring more profits using push strategy through doctors and hospitals by providing free samples, sponsoring free treatment to patients.
- In Indian pharmaceutical marketing, retailers are important mediator from the point of view of sales as well as distribution.
- Retailer acts as a mediator to provide prescribed products by the Registered Medical Practitioner/doctors to the patient.
- So, it is important that prescribed products should be available with retailer so as to honor the prescription of the doctor or substituted by the chemist for long term.
- Besides this, chemist is the good source of market information related to the prescription of company's product and competitors' product. competitor's move, and stock position analysis, etc.
- Sales promotion can be utilized by a manufacturer to distribution chain intermediaries or organizational buyers or retailers, or by a retailer to customers.

The retailing can promote sales in the following ways:

- ✓ To encourage competitor switch.
- ✓ To encourage switch to bigger size.
- ✓ To encourage physicians to switch to new formulations.
- ✓ To encourage seasonality of demand.
- ✓ To improve company image.
- ✓ To build loyalty.
- ✓ To satisfy physicians' price consciousness.

Medical Exhibition

- Exhibitions can be defined in a unified way with an advanced technology for carrying out business effectively at national and international level.
- It is more than just a marketing tool as the entire marketplace is at your fingertips.
- As a source of market information, they fulfil your needs in a centralized way.
- It offers a chance to articulate feedbacks of clients and customers for identifying marketing opportunities, competition of similar products and services, and to expand commercial infrastructures with new people including joint initiatives and partnerships.
- " **Exhibitions** provide a unique networking platform to both Indian and foreign participants. They help in promotion, marketing and publicity efforts of participating companies.
- As a reliable media for exchange of information, exhibitions are being globally



Medical exhibitions have number of advantages are discussed below.

- ✓ **Learn the new marketing tactics of your competitors:** It gives a great opportunity to learn what your competitors are doing in terms of prices and special deals offered by your competitors, new sales strategies of your competitors and improvised manner of sales people interaction with customers and new objectives of promoting products.
- ✓ **Make use of buying mood of customers:** Exhibition of products and services gives an extraordinary access to beneficial aspects and future perspectives. Customers will be in a buying mood and you have to take advantage on this opportunity. There are chances that the attendees are already focused on your products or services, so take a direct sales approach and view every interaction as a chance to close the deal. If you can't close deals, try to set up meetings with key candidates for the week after the exhibition.

- **Develop and strengthen the brand:** Promotion by branding can make a business successful thus it is needed to create a good image of company's brand in the memory of visitors. So, they understand and remember your brand at a deeper level. Interact with all visitors, as they could turn into customers. Use captivating and identifiable displays and place your counter as close as possible to high brand companies so as to impart a good impression of the brand in the minds of potential customers.

Public Relations

- Relationship matters to a great extent for a constructive connection of a company with their **potential customers, suppliers, and dealers.**
- It must also be tried to approach a public taking interest in the products or services.
- Public in the present context, is a potential group of persons to whom company interest relies to attain its goals.
- Public relations (PR) are built through different ways to improve company's reputation in terms of product quality and services.
- The wise company takes concrete steps to manage successful relationships with its key publics.
- PR department takes care of the attitude of the organization and convey messages to create an image of high repute.
- It also counsels the top management to learn good practices to **build a positive image at very first service.**

It works for the major functions:

- 1. Press relations:** Putting news and messages to reveal growth and good side of a company.
- 2. Product publicity:** Promoting products and services by sponsoring events.
- 3. Corporate communications:** Promoting understanding of the organization through internal and external communications.
- 4. Lobbying:** Making contact with advocates and other officials to protect or fight for any infringement or litigations.
- 5. Counseling:** Putting good suggestions in concern to public issues to maintain company's goodwill with considerations of all ups and downs.

Marketing Public Relations:

- Marketing public relations (MPR) are intended to support corporate or product promotion and image making. MPR may be financial PR and community PR.
- They are important to attain long term goals. In old times, **publicity is made at very high cost in print broadcast media** to promote a product, service, idea, place, person, or organization.
- **In present time, MPR has replaced the publicity and performs a crucial role to the company in the following ways:** introducing newer products, relocating mature products, creating interest in a selected category, making efforts to attract a specific group, resolving issues of the products feedback, and creating a good image based on promises made through products and services.
- As the use of mass advertising is not popular, marketing managers are looking towards MPR to create good image of both new and mature products and services.
- MPR is also effective in targeting local areas and contacting small groups and it is cheaper.

Different methods used in MPR are:

- ✓ **Publications:** Companies have to watch regularly published materials to identify and target their potential markets by **close observation of annual reports, newspapers, articles, magazines, and broadcasted materials.**
- ✓ **Events:** Sometimes, it attracts people to new products or services by making arrangement and promoting special programs of public interest like **shows, exhibitions, sports or any event that reaches to target audience.**
- ✓ **Sponsorships:** Sponsoring and publicizing a selected event of national and/or international level like **sports and AIDS day can improve branding by company's name.**
- ✓ **News:** This is crucial work of PR professional to identify or generate **positive news about the services and company outlook.**
- ✓ **Speeches:** It is needed for company executives to work on a questionnaire based on reports from the media and share it in company's meetings as these inputs can improve the reputation of the company.

- ✓ **Public Service Activities:** Doing social services in terms of donations help in national needs and noble causes can bring positive impression of the company in public.
- ✓ **Identity Media:** It provides a visual identity to company for instant recognition.

There can be different means to create identity as **logos, stationery, brochures, business cards, tags, and dress codes, or any accessory bearing the name, remark or brand of the company.**

Online Promotional Techniques For OTC Products

- The introduction of the World Wide Web (www) has drastically emerged a new environment for building long term business.
- Retailers as well as consumers can now place order for OTC products comfortably from their home at any time.
- Advertisers have now moved their money over to the internet as customers are on average spending more time online then watching TV.
- Popular ways to advertise seem to be banners and pop ups.
- The scope of analysis is at the product form level in OTC sector.

The researchers have found some observations for the market change and these can be characterized at different stages in terms:

- ✓ Competition.
- ✓ Similar products in market.
- ✓ Mean price based on available products.
- ✓ Targeted audience for promotion.
- ✓ Plan of channelization.
- ✓ Gross benefits for company.
- The so-called 4P's of marketing following the classification first proposed by McCarthy (1978); **Product, Price, Place (or distribution) and Promotion.**
- Beyond the 4P's is other P's also used by some marketing strategists: **Packaging, Premiums, Physical Distribution, Personal Selling and Publicity or Advertising.**

Product:

- Strategies and regulations for OTC Product are required based on **Quality, Brand value and Packaging, etc.**
- Strategies dictate the manner in which the product and market are defined.
- **Competitive tactics** can be applied by improving quality and characteristics in the product.
- Products and services help a company in implementing its strategy just like a strategy guide the **formulation and implementation of product plans and polices.**

Pricing:

- Price implies the money to be paid by a customer against goods and services.
- Pricing is a quite decisive parameter for OTC products as generics are commonly found at low price in the market and a competition among different companies to least cost without compromising the quality of product.
- It plays a key role in selling as it is encashment efforts made by seller and suffices wants of the buyer.
- **Different price features such as** rebates, payment modes, cash back offers, and credit terms, etc. decide pricing strategies and polices.
- There may be high or low prices for the products as decided by **pharmaceutical companies.**
- Like GSK and Ranbaxy companies have placed their products like Crocin, ENO, and Revital on low price.
- Price often determines market segmentation, which in turns becomes basis for creating different models of same products.

Place:

- Pharmaceutical distribution channel plays an important role in implementation of marketing strategy.
- Distribution strategies and regulations are intended to consider various problems in the channels of distribution, means of transportations, electronic gadgets, and inventory and storage management, and accessibility to the markets.
- These also play a role in both marketing function as well as plan execution.
- Pharmacy companies marketing OTC products realize the importance of effective distribution network and hence companies like Ranbaxy and GSK invest huge amount in maintaining the effective distribution network and retail.

- It is desired to offer good margins and support for the distributor so as to maintain uninterrupted availability of the products at the retailer end.
- In case of distribution channel in pharmaceutical companies, it mainly involves three channel members i.e. depot/C&F, stockiest and chemists.
- Generally, one depot or C&F is appointed including an agent for each state and a stockiest in each district.
- Company depot/C&F agent sends stock to stockiest as per the requirement.
- OTC products are purchased on daily or weekly by the retailers from the stockiest.
- Consumers reach retailer for buying OTC medicines either with prescription from doctor or without prescription in cases of minor ailments where prescription from doctor is not mandatory.

Promotion:

- It is intended to improve the marketing potential of the company in terms of **products image**.
- There are various means of communication in pharmaceutical marketing at different stages right from **advertising to point-of-purchase**.
- Pharmaceutical companies like GSK, Ranbaxy, Paras, and Novartis have effective OTC products and markets also. For effective marketing, companies need skilled workforce.
- The marketing representative must have good knowledge of product and USP of their products as to convince the **doctor and retailer**.
- In case of OTC medicines, they may not require to deal doctors but convince chemist and **other modern trades like general stores, kirana shops and malls as to pull the demand of their products**.
- **The relations** between doctors, retailers and representatives need to be healthy.

Questions

1. Define Promotion. What are different methods of promotion?
2. What do you understand by promotional mix? Discuss determinants of promotion mix?
3. Describe various factors affecting the promotional mix.
4. What is promotional budget?
5. What do you mean by personal selling? How is it carried out?
6. Give an account on personal selling in relation to pharmaceutical products.
7. Discuss various types of sales representatives.
8. How can you perform effective selling?
9. What do you understand by "advertising"?
10. What are the roles of advertising? How is it advantageous?
11. What are different ways or means of advertising?
12. What do you understand by Direct Mail? How can it be useful in promotion?
13. Write brief notes on Journals and Sampling.
14. How does retailing bring dramatic increase in sales?
15. Discuss about significance of medical exhibitions in promotion.
16. What do public relations do in promotion? How do they work for a company?
17. Describe different methods used in marketing of public relation.
18. What are various means to promote OTC products online?
19. How do 4P's work in marketing of OTC products?

THANK YOU